Bridge Pile Foundation Work Agreement

SFB SMART FOUNDATION DOO
BROJ U 020/22
DATUM 29.08.2022.
BEOGRAD

Concluded in Novi Sad, August.29.2022. between:

1."CHINA CIVIL ENGINEERING CONSTRUCTION CORPORATION BALKAN

OGRANAK BEOGRAD duly incorporated pursuant to the law of the Republic of Serbia, having its registered office and principal place of business at Batajnicki drum, 3 deo 6a, 11080 Zemun, Serbia, registration no: 29507031, TIN No.: 109874997, represented by Mr. Xue Hongxi, the PoA representative of the branch office (hereinafter: the contractor)

And

2. SMART FOUNDATION DOO Belgrade, st. Trgovačka 85, Čukarica, registration number 21542288, PIB 111798285, represented by the director Jovan Anđelković (hereinafter the Subcontractor).

SUBJECT OF THE AGREEMENT

Article 1.

The subject of this contract is the construction of 1200 mm bored piles within the Belgrade- Subotica State Border (Kelebija) project, the Novi Sad-Subotica State Border (Kelebija) railway section, according to the subcontractor's Quotation number P079-22 is available from August23, 2022, together with a mutually signed Bill of Quantities, which are mutually accepted and form an integral part of this Agreement.

The contractor has the right to adjust the subcontracting scope of the subcontractor at any time according to the subcontractor's construction capacity, on-site progress and the owner's overall construction period requirements.

The Subcontractor will perform all the above works from the accepted Subcontractor's Offer professionally and with quality with its workforce and necessary equipment, and in all respects according to technical regulations, standards and norms and rules of the profession that apply to this type of work, as well as instructions of the Engineer.

Article 2

The Subcontractor undertakes to perform all surplus works. Surplus works are the quantitiesof performed works that exceed the quantity of works stipulated by the Contract.

Article 3

The Subcontractor is obliged to perform unforeseen and subsequent works according to the written order of the contractor. Unforeseen and subsequent works are those works that are not covered by the Agreement, and which must be done or which are necessary for the fulfillment of the Agreement and whose value is not covered by the contract price, which the contracting parties will make an Annex to this Agreement.

VALUE OF WORKS

Article 4

The contract price is defined as follows:

The total compensation payable by the contractor to the Subcontractor for all Works shall be agreed by the parties as an estimated total price of € 942.468,16 excluding VAT (the "Contract Price").

The Contract Price is based on fixed unit prices. The final contract price shall be calculated based on the actual completed quantity.

Prices are excluding VAT and are paid in dinars at the mid-exchange rate of the The National Bank of Serbia on the date of invoice.

VAT is calculated and paid in accordance with the Law.

The final value of the executed works will be determined by applying the unit price to theactual work quantity, which shall be confirmed by the supervising engineer.

CALCULATION OF THE PERFORMED WORKS

Article 5

Performed works are calculated on the basis of Interim Payment Certificate and Final Payment Certificate according to the certified Measurement Book. The final payment certificate should be issued by the Subcontractor, but issuance of this certificate can be conditioned by previous approval of quality and quantity of the completed works by the contractor engineer.

Article 6

The contracting parties agree that payment for the completed works will be paid in accordance with the issued interim payment certificate and final payment certificate, which will contain the total amount of completed works certified by the supervising engineer and the unit price specified in the accepted Subcontractor's Offer approved by the contractor , reduced to 95% in accordance with retention quota of 5%.

The contractor undertakes to review the Interim Payment Certificate, perform control and to certify it no later than the 7th of the month, and payment within 30 (thirty) days from the day of issuing the Interim Payment Certificate.

Construction Period, Defect Liability Period

Article 7

7.1The construction period of the subcontractor is determined according to the dynamic construction plan of the contractor. The relevant bridge construction periods are as follows:

1. KM98+149 bridge pile foundation 70d
2. KM101+132.33 bridge pile foundation 30d
3. KM102+309 bridge pile foundation 54d
4. KM105+797.12 bridge pile foundation 20d
5. KM108+115.69 bridge pile foundation 20d
6. KM101+980.62 bridge pile foundation 20d
7. KM110+351.21 bridge pile foundation 30d
8. KM82+159.77bridge pile foundation 65d

The work performance period does not include holidays (New Year, Christmas, national holidays, religious holidays).

The Subcontractor shall start the Subcontract works within 10 working days after The contractor issues the official Notice of Commencement.

The Subcontractor shall commence and complete the Subcontracted works in accordance with the Construction Schedule approved by The Contractor. The extension of construction period shall conform to the relevant terms and conditions defined in the Commercial Contract and shall be approved by the Investor or its representative and The contractor. If The Subcontractor realizes that a delay in the performance of the Subcontracted Works within the agreed term is possible or certain, it shall notify The contractor accordingly and shall exert all reasonable efforts to prevent the delay, i.e., it shall propose measures for remedying the consequences and reorganizing the dynamics in the performance of the Subcontracted Works. In the case of a delay in the fulfilment of the Subcontracted Works within the

agreed term, The Subcontractor shall be obliged to undertake, at its own expense, all reasonable measures in order to rectify the consequences of the delay.

The contractor is entitled to charge The Subcontractor the amount of 0.025% of the Subcontract Price as liquidated damage for each day of delay in the fulfilment of the assigned obligations, up to a maximum amount of such liquidated damage of 5 % of the Subcontract Price.

7.2. The Subcontractor shall be responsible for the defects of the completed works and delivered goods for a period of 12 months from the acceptance of the piles works, that is, 12 months from the receipt of the certificate of Acceptance (Defects Liability Period). The warranty period shall be executed in accordance with the reasonable service life specified in the Serbian national laws and regulations, industry regulations and design documents.

Any deficiency in the fulfillment of the subcontracted works shall be rectified by TheSubcontractor at its own expense.

The contractor shall be entitled to retain 5% of the Accepted Contract Amount as a guarantee for the implementation of above-mentioned works, until the end of the Defect Liability Period. The maximum amount of the retention money shall be 5% of the subcontract price. The deduction shall be start from the first payment cycle, and 5% of the subcontract payment corresponding to the completed payment certificate will be deducted from each phase of the work, till the total retention money amount withheld reaches the agreed amount or proportion.The retention money shall bear no interest. After the acceptance of pile works by Contractor, the Subcontractor can provide Contractor with the register promissory note（it should be blank）, and in that case, the Contractor will return to the Subcontractor the same amount equals to the value of the provided promissory note within 60days.

If The Subcontractor fails to rectify the deficiencies within the prescribed time limit specifiedin the report agreed and signed by both parties, the Contractor shall be entitled to rectify the deficiencies itself or by engaging a third party at the expense of the Subcontractor.

In case of the failure of The Subcontractor to fulfill the obligations during the defect liability period, The Contractor shall be entitled to retain 5% of the Accepted Contract Amount.

If The Subcontractor fails to perform its obligations within the defect liability period, The contractor has the right to arrange other parties to dispose of or perform The Subcontractor's obligations, and the costs and losses incurred shall be deducted from The Subcontractor's retention money.

The Right and Obligation of Each Party

Article 8

8.1 The Right and Obligation of The Contractor

8.1.1 The contractor has the right to decide under the requirements of Investor all the issues related to

performance and other issues related to progress of project. Furthermore, The Contractor and The Subcontractor shall make decision together on all the issues related to the contract interpretation, as well as all issues related to fulfil the clauses of this contract. To avoid doubt, the decision made by agreement of both parties according to main contract shall be regarded as final and decisive, and is binding to both parties.

The Supervisor has right to decide about all the issues related to project quality and acceptance.

8.1.2 Responsible for coordination, communication of project between the Investor and the Supervisor, obtaining all the permits related to project, creating the conditions of The Subcontractor's entering the site. Responsible for confirming benchmark and coordinate point, conducting control survey and setting out, on-site written handover of pile position and guard stake, offering drawing and main technical document related to project, replying the written questions from The Subcontractor.

8.1.3 Supervising The Subcontractor of performing the contract, including project quality, progress and HSE work, making regular inspection and acceptance of the work finished by The Subcontractor. Processing measurement work of examined project and pay project payment according to Clause 6 of this contract.

8.1.4 Processing all kinds of insurance required by The Investor and the main contract, and pay for insurance fee.

8.1.5 Being responsible for project HSE managing-work related to this contract. The Subcontractor should be responsible for the HSE as well.

8.1.6 Assigning construction managing staff and engineer to The Subcontractor according to this contract, supervising The Subcontractor's construction and giving formal notice to the Subcontractor.

8.1.7 The contractor purchases commercial concrete and steel bars in a timely manner, the steel bars and concrete are supplied by the contractor to the holes of the bored piles according to the design, and the qualification certificates for the steel bars and commercial concrete are provided. The contractor is responsible for the right-of-way for the access road, and builds the road in the yard to meet the construction needs.

8.1.8 Daily inspection, confirming construction logs and other statutory technical document, performing experiment of pile (if supervising engineer required).

8.1.9 This project requires a separate stub test. After the construction of the test pile foundation is completed, the construction shall be suspended. After the pile foundation test is qualified, continue other pile foundation construction. The waiting time for the suspension of construction is 21 days, and the contractor is not required to pay any compensation to the subcontractor. The subcontractor can transfer the equipment to other places, and the contractor shall notify the subcontractor that the equipment will enter the site within 10 working days. The unit price of pile foundation adopts the contract unit price. The contractor is responsible for and bears the cost of all work for the inspection of the pile foundation. The subcontractor needs to send someone to cooperate and fill in the information.

8.1.10 The contractor shall be responsible for cleaning the construction site, removing all structures, trees and similar obstacles which may affect the construction. The soil working platform needed by The Subcontractor shall be constructed, and the distance between working platform and the top of pile shall be no more than 1m. The contractor shall be in charge of pile head chiselling of drilled pile. During implementation of the construction, The contractor shall remove the soil within the hole of the drilled pile. The contractor shall be responsible for the cost of empty drilling with a length of more than 1m from the working platform to the top of the pile, and the unit price is calculated at EUR100/m.

8.2 The right and obligation of The Subcontractor

8.2.1 After the contract is signed, organize enough construction personnel and equipment to enter the site according to the commitment date. Ensure that a balanced production capability can be given after the start of construction, and the living materials are prepared to ensure that the construction will not be affected. The Subcontractor shall prepare the production, fuel, live materials and other temporary equipment and bear their costs.

8.2.2 Organize the construction in strict accordance with the construction documents and technical specifications provided by the contractor, obey the supervision and inspection of the contractor and the supervising engineer, and be responsible for the quality of the project. Before and after the completion of each process and during the construction period, according to the management regulations, carry out self-inspection first, after the self-inspection is passed, notify the contractor, and the contractor and the supervising engineer will check and accept, and the next process can only be started after passing the inspection. Unqualified project must be reworked, and the next process cannot be entered until they have passed the acceptance of the contractor and the supervising engineer. The rework fee shall be borne by the Subcontractor without changing Subcontract duration and reducing Subcontractor's responsibilities. Participate in engineering technical acceptance and remove defects pointed out by the Contractor, theSupervisor and the Investor during this period.

8.2.3 Timely and reasonably coordinate and arrange the construction machinery, equipment and personnel to meet the construction requirements. All management and technical personnel shall hold a certificate for the post. Construction personnel for special work shall obtain the special operation certificate issued by the relevant authorities of Serbian government. The main technicians should be equipped with all-round managing and rich construction experience. The Subcontractor shall provide all documents to the contractor for record and keep photocopies before entering the site, and if it fails to meet the contractor's requirements, the contractor has the right to request the Subcontractor to replace them.

8.2.4 Responsible for free cooperation with the contractor for HSE Management on site, and offering enough related equipment and protection measurement which are demanded by HSE office from The contractor.

8.2.5 Cooperate with the contractor for measurement and payment, managing quality, safety, progress, environmental protection, on-site management, various inspections and data collection. Fill in the construction log, safety log and measurement book in time. Responsible for filling in and submitting the

original data, and submit the construction plan and the material demand plan on time.

8.2.6 Carry out on-site management according to the related regulations of Serbia, comply with all the laws and regulations related to environmental protection of Serbia. If any environmental pollution of road and river occurred, the Subcontractor shall be responsible fordealing with it and bear the full cost.

8.2.7 The Subcontractor shall submit a list of name and photocopy of ID card to the contractor, including all on-site personnel, construction personnel and logistical personnel serving the site appointed by the Subcontractor. The Subcontractor shall handle all kinds of social insurance for them and pay for all insurance cost.

8.2.8 If any dispute happened between The Subcontractor and any third Party, The Subcontractor shall solve the problem on its own and bear the independent legal responsibility.

8.2.9 The Subcontractor shall guarantee the project quality. If any defect or quality accident happened, The Subcontractor shall finish all the content ordered by Supervising engineer about repairing or removing the defects without any payment, unless it is caused by the contractor.

8.2.10 The unit price of the test pile adopts the same unit price and contract terms as the bridge pile foundation.

8.2.11 During the construction period, any damage caused by The Subcontractor among the property or in surrounding area, the cost shall be borne by The Subcontractor, and it shall not influence the construction progress.

8.2.12 During the construction period, the safety of all party's contractor shall be maximized while the contract be fulfilled by the agent of The Subcontractor. People without protective equipment are not allowed to enter into site.

8.2.13 While the Subcontractor leaves the site, the Subcontractor shall remove all the equipment, surplus materials, waste and all kinds of temporary equipment, and keep the site and the object clean and tidy, so that the contractor deems it qualified to use. If The contractor has to clean, The Subcontractor shall bear the resulting cost which will be deducted from the retention money.

8.2.14 After the Contractor handover the survey points confirmed by The Supervisor to The Subcontractor, The Subcontractor shall guard the survey points (pile positions). If anydeflection occurred after drilling of pile due to the Subcontractor's construction and maintenance, the Subcontractor shall deal with it in a timely manner according to the requirements of the Investor, the Supervisor and the Contractor, and all costs shall be borne by the Subcontractor.

8.2.15 The Subcontractor shall guard its equipment on the site by itself.

8.2.16The subcontractor shall ensure that the rebar cage delivered by the contractor to the site (after welding in the rebar factory, the whole section of the cage) can be hoisted up to complete the lowering of the rebar cage.

Project variations, claim and Insurance management

Article 9

9.1 Project variations and additional project

9.1.1 If variations and adjustments of this project occur, the Subcontractor is responsible to cooperate with the contractor to submit corresponding data as requirements from the contractor. The data submitted shall be confirmed by representative of the Subcontractor in written form. The Investor is binding on both contractor and Subcontractor based on the results of the approval of the main contract.

9.1.2 Before receiving final approval of all the variations and adjustments from the contractor,the

Subcontractor shall not be exempted from the full responsibility for the project stipulated in the contract. After receiving the final approval, the corresponding adjustments can be made in accordance with the procedures specified in the contract.

9.1.3 The increased price of project item caused by approved project variations has to follow the conditions below.

9.1.3.1 If the items which are listed in this contract with a unit price are same as the added one, the price of added items will be calculated using the unit price listed in this contract.

9.1.3.2 If the items listed in this contract with a unit price are similar to the added one, the price of added items will be calculated using the unit price of similar projects in the contract.

9.1.3.3 If the items listed in the contract are no different or similar to the newly added items, the subcontractor shall quote and obtain confirmation from the contractor. If the parties cannot agree on the price of additional work on the project, the subcontractor is not obligated to continue adding work to the project.

9.1.4 The Subcontractor shall provide all the invoices of the additional items approved by the contractor. Moreover, all the original receipts and notes of cost, transportation and management fee of materials used in such project shall be submitted. The Subcontractor shall submit the above lists, verified labor, material and renting fee included, prior to monthly declaration date after completion of the additional items.

9.1.5 During investigation and negotiation period of the variation cost, the Subcontractor shall conduct all the authorized variations as per the contractual provisions and shall no suspend the performance of contractual obligations.

9.1.6 In case of emergency where life or property is endangered additional works shall be carried out immediately, the contractor shall issue verbal instruction that additional works could be implemented, with following confirmation of written instruction. During the process, The Subcontractor shall make accurate record of the actual cost specified in Item 8.1.4 in the contract until agreement regarding total price or unit price of such emergency and the sound reward are concluded.

9.2 Claims

9.2.1 During signing and implementing of this contract, The Subcontractor has estimated all the risks and responsibilities under the project construction and is ready to bear. Any claims regarding working period and expense incurred by some issues other than the Investor and the contractor shall be rejected. The contractor shall be protected from any claim from the third party.

9.2.2 If any delay and/or increase of cost is incurred by not fulfilling responsibility and obligation

specified in the contract, the party who suffers from loss is entitled to lodge aclaim to the other party.

Project insurance

9.2.3 The contractor has taken out insurance as required by the Investor, and the Subcontractor should take out the insurance and bear the expenses for insurance beyond the scope of the contractor's insurance.

9.2.4 When an insurance event occurs, the Subcontractor shall promptly notify the contractor in accordance with the provisions of the insurance contract signed by the contractor, and assist the contractor in making insurance claims.

Engineering material and the management of equipment

Article 10

10.1 Supply and management of materials

10.1.1 Commercial concrete is supplied by the contractor; the contractor will contact the commercial concrete provider while The Subcontractor applies an application under the construction in advance. After the commercial concrete is transported into the construction site, The Subcontractor has the responsibility to check and accept it, then sign the name on the manifest. What's more, The Subcontractor also needs to collect the receipts every time of using the commercial concrete and delivers it to the contractor in time. This contract is appointed that the rate of waste for bored pile's concrete is 10% on average. The length of super cast-in-place pile is 100 cm (or more on demands of The Supervisor), length of the pile is calculated by the qualified length plus the length of super cast in place. the unit price of commercial concrete is 81,5 EUR/m3. The over-consuming part of the concrete material costs shall be borne by The Subcontractor.

10.1.2 Bored pile reinforcement cage reinforcement shall be supplied by the contractoraccording to the design quantity. The reinforcement cages are delivered to the site by the contractor, and the Subcontractor is responsible for hoisting and installation.

10.1.3 The Subcontractor shall not exchange the material offered by the contractor. The Subcontractor shall notice the contractor if there is any quality problem of the materials.

10.1.4 The Subcontractor shall keep the material stored well after collecting from the contractor,

if any loss or damage happened caused by Subcontractor, the lost shall be borne by The Subcontractor.

10.1.5 After the commercial concrete is delivered to the construction site, The Subcontractor shall be responsible for checking and acceptance. The Subcontractor can reject the unqualified commercial concrete. After The Subcontractor has received the concrete, which means that the commercial concrete is deemed as qualified by The Subcontractor, the contractor shall not bear any responsibility and payment for the quality of commercial concrete, unless laboratory testing determines that the concrete is of poor quality.

10.2 Mechanic equipment using and management

10.2.1 The construction machinery shall be provided by the Subcontractor and included in the construction unit price. If the contractor temporarily uses the Subcontractor's machinery, the two parties shall sign the unit price for the use of the station shift or the unit price per hour in advance. If the Subcontractor uses the contractor's machinery temporarily, it is also necessary to sign the unit price for the use of the station shift or the unit price per hour in advance.

10.2.2 The Subcontractor shall strengthen the management and maintenance of the mechanical equipment provided by the Subcontractor, and ensure the integrity rate and work efficiency. The Subcontractor shall be fully responsible for the losses caused by the Subcontractor's mechanical failure.

10.2.3 The construction water and electricity shall be supplied by The Contractor.

HSE management (Health, Safety, Environmental Protection and Security)

Article 11

11.1 The Subcontractor shall be responsible for maintaining all the Subcontractor 's machinery, vehicles, equipment, facilities, materials supply and operation on site, as well as keep the other resource which are controlled by (or related to) The Subcontractor is responsible for keeping the construction site neat, clean and safe during the construction process. Any defect on site should be checked to determine if it is potential source of injury or hazardous conditions and actions. The defect or condition on The Subcontractor's site should be informed to their employees and the contractor's representatives, and to take remedial measures.

11.2 The Subcontractor shall follow all the appropriate law in the place of site (international, national, local and others), and other HSE rule set by the contractor and the Investor, including

anti-fire, health, environment and safe security.

11.3 The Subcontractor shall be familiar to and obey the Investor's and the contractor's policy and instruction from of health, safety, environment protection. The Subcontractor shall ensure that all services, materials and items from The Subcontractor used in the construction process are comply with laws, regulations and requirements issued by the local government or other local administrative organization.

11.4 Before the project commencement, the Subcontractor shall establish and provide written programs of health, safety, environment, and emergency response in order to protect and improve the safety, health and environmental levels of the project. All the programs shall meet the requirements of the contractor and industry standards. Besides that, the programs shall be put with the contractor's signature and endorsement. Before the project start, The Subcontractor shall prepare and submit a written plan of health, safety and environmental and programs to obtain the approval from the contractor. The plan should be consistent with the risk level of the project. The Subcontractor should also provide security organization and their responsibilities instructions.

11.5 The Subcontractor shall ensure the necessity of safety training, work training and special work training which are ruled by law and client on The Subcontractor's own expense. According to need, The Subcontractor shall submit a certificate of completion of these kinds of training to the contractor.

11.6 The Subcontractor needs to guarantee its machinery operator and driver have any relevant certificate in Serbia on The Subcontractor's cost. If any dangerous operation behavior (or any behavior may arouse potential risk), according to the specific circumstances, the contractor will make the punishment to operators, drivers, The Subcontractor.

11.7 The Subcontractor shall be responsible to maintain and enhance the safety awareness of its employees, including arrangements for regular safety meetings and emergency drills.

11.8 The Subcontractor shall be responsible for any accident happened during the construction progress, even though there is the contractor representative or staff on site. According to the contractor's request, The Subcontractor shall submit every accident, potential-risk affairs to the contractor. Besides that, The Subcontractor shall report to the contractor immediately after the accident or incident involving equipment or personnel safety or the environment problem, regardless of whether personal injury or property damage or environmental pollution. If the contractor considered these harmful and non-harmful accidents is serious, the contractor could carry out a thorough investigation without paying any additional cost to The Subcontractor, and The Subcontractor shall submit a detailed report of accident investigation, in the form required

by the contractor in fourteen （14） days after the accident.

11.9 The Subcontractor shall appoint a qualified employee as a safety person, in charging of offering suggestion to The Subcontractor representative about safety affairs. If the contractor considers this person is disqualified, the contractor has the right to refuse this person's appointment. Before commencement of project, The Subcontractor shall give a written notice to the contractor about its appointment of safety person, who shall has qualified and relevant work experience.

11.10 The Subcontractor shall be equipped with enough emergency equipment, fire extinguisher and other approved safety equipment with adequate amount. The Subcontractor shall take professional way to do equipment maintenance, retest and recording for newest use, according to law, regulation and industrial standard.

11.11 According to the safety need for this project, as well as this contract, The Subcontractorshall bear its own cost for offering its staff enough personnel protection equipment.

11.12 The Subcontractor shall allow the contractor's representative or appointed third party (including official) to enter the site to do recording, measuring or any act aim to help client to inspect or related to construction environment.

11.13 The Subcontractor shall guarantee the health of all the involved staff on site. If the contractor thinks some medical disability on their staff won't have negative influence to project, it shall give a written notice to the contractor in advance of commencement. The Subcontractor shall offer its employee's medical certificate to the contractor if the contractor insists to check.

11.14 The Subcontractor shall carry its cost for its employee medical benefit, as well as arranging qualified medical service and equipment on site. The Subcontractor shall also offer regular physical test for its employee, if necessary, The Subcontractor should make plan for medical evacuation, medical care, hospitalized care and suitable insurance for any possible accident.

11.15 According to the contractor's health, safety and environmental policy statement, The Subcontractor shall pay attention to environmental issues, such as air, water, soil, plants and animals, etc. In order to avoid the negative impact of construction behavior, The Subcontractor shall bear its own cost to drop the impact on the environment a minimum level. The Subcontractor should follow existing emissions associated with construction laws and regulations in Serbia.

11.16 If the contractor believes equipment, personnel or engineering conditions is unsafe or does not comply with the rules and regulations of the contractor, the contractorrepresentatives should have the right to prohibit or suspend some part of the project to start work or even cease payment to the Subcontractor.

11.17 If the Subcontractor violates any demand of this contract in the area of health, safety and environment seriously or repeatedly, or the Subcontractor decline to give any remedy in 10 days, it will be regarded as practical violation. In this case, the contractor has the right to terminate this contract immediately and the Subcontractor has no right to ask for compensation.

11.18 According to the contractor's policy, only with permission sighed by the contractor canthe staff from the Subcontractor enters into The Contractor's project site.

11.19 Beside the staff from the contractor and the Subcontractor, without the contractor's permission, no any other personnel shall stay on site.

other special provisions

Article 12

12.1 The communication of both sides

12.1.1 All the communications, notifications and other ways which can be connected to each other need to write in English on paper and in a proper way to submit to the other party (addresses as follows). Any oral communication does not constitute notice under this Contract. Only each party of this contract has received the notification on paper, the provisions can regard to be submitted. If received notification date is not the work day or after the regular work hours, such notification date will regard as the next work day. Each party can change people and addresses, but must be written on paper and inform the other party to confirm it.

12.1.1 Mailing address and fax number of The Contractor are as follow:

Mailing address: xiongsaitieluyifenbu@gmail.com

12.1.2 Mailing address and fax number of The Subcontractor are as follows:

Mailing address: office.jovan@gmail.com

12.2 Force Majeure

12.2.1 If any party couldn't fulfill part or whole obligation under the contract due to force majeure (force majeure event means the affected party can't fulfill reasonable control or it is impossible to anticipate or even inevitable to overcome, and that appears after the date of signing of the contract, so that the parties to this Agreement perform all or part of the objective becomes impossible or impractical any further such events include, but are not limited to floods, fires, droughts, typhoons, earthquakes, and other natural disasters, traffic accidents, strikes, civil commotion, riots and any

war regardless of whether it is declared), and/or contractor's termination, the performance of the obligation should be suspended during the force majeure period.

12.2.2 When force majeure happens, both parties shall, through amicably negotiation, immediately decide how to perform the contract. When it ceases to be effected by the force majeure, both parties need to recover their own obligation immediately. If force majeure orits influence couldn't be ceased, which caused any party couldn't continue its fulfillment ofthe contract, the parties should agree to terminate fulfill or postpone fulfill the contract.

12.2.3 If any party does not fulfill its contractual obligations because of the force majeure, the affected party shall not bear the responsibility for breaching contract and performance of the contract shall be postponed. The party who is influenced by the force majeure needs to inform the other party immediate as long as the project has been suspended by force majeure.

12.2.4 If the force majeure influences part or all the works, both parties should, through negotiation, take appropriate measures immediately, including make sure whether or not some or all of the work should be delayed or terminated. In the event of force majeure occurs,the parties should try their best to decrease the influence to the least. One Party shall notify the other one as long as the influence of force majeure has been eliminated.

12.2.5 The provisions which describes force majeure and related provision in the supplement, signed by the contractor and the Investor, has the same effect with this provision.

12.2.6 For losses caused by force majeure, the contractor shall bear no responsibility andshall not compensate the Subcontractor. But the Subcontractor has the right to share the compensation costs which gets from the third-party.

12.3 Responsibility for breach the contract

12.3.1 If the contractor suffers any loss due to The Subcontractor's misbehavior, including but not limited to delaying and/or errors in measuring work or submitted materials, the Subcontractor should compensate the contractor for all the losses.

12.3.2 The Subcontractor shall bear any losses if the contract fails to be fulfilled due to the Subcontractor's fault, including but not limited to the contractor's direct and/or indirect loss.

12.4 The cease and termination of Contract

12.4.1 According to the contract between the contractor and the Investor, the Investor could terminate a part of (or all) project any time by its own judge no matter whether the Subcontractor violates the contract or not. If The Subcontractor gets the notice of termination forwarded by the contractor, The Subcontractor shall cooperate with the contractor to claim compensation against the Investor according to contract. If the Subcontractor fails to fulfil its cooperation and causes a

loss on the contractor, the responsibility and lost shall be born on the Subcontractor. If compensation from the Investor could be achieved, the contractor would pay to the Subcontractor according to claim clause of this contract.

12.4.2 If the Subcontractor has to cease its work caused by force-majeure or any reason not related to the contractor, the Subcontractor shall not ask for compensation from the contractor.The project term shall be recalculated after stop, and during the period of suspension, the charge of work is free. If the suspension is caused by The Subcontractor, the period of suspension shall be charged and the lost shall be born on The Subcontractor.

12.5 Settlements of dispute

12.5.1 Both Parties are obliged to try to resolve the dispute amicably if any dispute arises. If the dispute could not be resolved by negotiation, both parties shall resort to court in Belgrade.

12.6 Abidance by Law

12.6.1 If the Subcontractor found that there are any differences, contradictions or conflicts between this contract and any applicable laws, The Subcontractor shall give a notice to the contractor in good faith before signing the contract. The contracting parties shall agree to make amendments to the contract. If The Subcontractor fails to find such differences, contradictions or conflicts, The Subcontractor shall bear all costs arising therefrom.

12.6.2 The Subcontractor guarantees and agree that without the contractor's permission, the Subcontractor and its members are not allowed to air its opinion or make any kind of publicity, disclosure, commitment, communication, which based on the principal contract andthe contract-related detail, to Investor or any other local agencies and parties. The Subcontractor shall take all necessary measures ensure that their employees comply with international requirements and ethical business conduct, as well as international requirements of anti-bribery and anti-corruption, as well as the applicable law in Serbia, the economic losses caused by disputes supposed to be borne by the Subcontractor.

12.6.3 The Subcontractor shall guarantee the exempt, compensation, protection and maintenance be done for the contractor or its organizations to be free from suffering claims, debts, demands and claims of any type, as well as all claims, lawsuits or prosecution arouse by The Subcontractor, its member, the third party or government agency because of the members of the contractor, Party organizations, third party or government agency claiming breach or violation of applicable laws, local customs caused. The compensation shall include the contractor or group suffered and claims, demands all fees, penalties and litigation related to the judgment, damages, judgments, court and arbitration costs, consultants and witness fees and all other reasonable

expenses.

12.6.4 If the subcontractor is late for construction, he is obliged to take expedited actions within 7 days after receiving the notification from the contractor, such as adding equipment, to catch up with the schedule within one month. If the subcontractor fails to take action to expedite the progress of the work within 7 days, the contractor shall be entitled to unilaterally terminate the contract and pay the cost of the work completed up to that time, and the subcontractor shall not make any claims against the contracting outside the work .

12.6.5 If the contractor is late in fulfilling his obligations, he is obliged to correct the problem within 7 days, otherwise the subcontractor may unilaterally terminate the contract and pay for the work done up to that time.

The application of contract

Article 13

13.1 The effective and expired prerequisite of Contract: The contract come into effect at the time it is signed by both parties.

13.2 Unless otherwise specified in this agreement, without the contractor's written consent, The Subcontractor shouldn't assign all or part of its rights or obligations under this Agreement to others.

13.3 This Contract and its annexes shall be regarded as the full agreement between two parties, and it will replace any previous verbal or written agreement, contract, understanding and communication which is made before this contract is issued.

13.4 If any provisions become illegal, invalid or non-executable, it will not influence the effectiveness and compulsory execution of other provision.

13.5 Any modification to this contract takes effect only in written form and has been signed by each Party's representative.

13.6 Unless otherwise specified, if one party fails to or delay to exercise its rights, powers or privileges under this contract, it will not be regarded as waiving such rights, power or privilege, and exercising a single or partial of such right, power or privilege shall not exclude any other right, power or privilege exercised.

13.7 The attachment of contract is inseparable part of the contract, and shall be equal binding as the contract.

13.8 For matters not covered by this agreement, the Parties may reach supplement agreement through negotiation. The supplement agreement, as a integrate part of this agreement, shall have equal legal effect as this agreement.

13.9 The Contract is made in four copies, two for the contractor, two for the Subcontractor.

Contractor

Xue, Hongxi, authorized representative

Subcontractor

Jovan Anđelković, the director